Three paths of transformation in post-communist Central Europe

Wallace, Claire; Haerpfer, Christian

Veröffentlichungsversion / Published Version
Arbeitspapier / working paper

Institut für Höhere Studien (IHS), Wien
Institute for Advanced Studies, Vienna

Reihe Soziologie / Sociological Series No. 28

Three Paths of Transformation in Post-Communist Central Europe

Claire Wallace, Christian Haerpfer

Three Paths of Transformation in Post-Communist Central Europe

Claire Wallace, Christian Haerpfer

Reihe Soziologie / Sociological Series No. 28

May 1998

Institut für Höhere Studien
Stumpergasse 56, A-1060 Wien
Fax: +43/1/599 91-191

Christian Haerpfer
Phone: +43/1/599 91-185
e-mail: haerpfer@ihs.ac.at

Claire Wallace
Phone: +43/1/599 91-213
e-mail: wallace@ihs.ac.at

Institut für Höhere Studien (IHS), Wien
Institute for Advanced Studies, Vienna

Die **Reihe Soziologie** wird von der Abteilung Soziologie des Instituts für Höhere Studien (IHS) in Wien herausgegeben. Ziel dieser Publikationsreihe ist, abteilungsinterne Arbeitspapiere einer breiteren fachinternen Öffentlichkeit und Diskussion zugänglich zu machen. Die inhaltliche Verantwortung für die veröffentlichten Beiträge liegt bei den AutorInnen. Gastbeiträge werden als solche gekennzeichnet.

Abstract

The social transformations following the "gentle revolutions" of 1989 had profound effects upon East European societies. Many texts emerged analysing "post-communist transition" as a phenomenon, but they were usually based upon experience of one, or a small range, of countries and generalising from them. However, since that time divergent paths of transformation have emerged between these post-communist countries. Here we concentrate upon 10 post-communist countries: Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Romania, Bulgaria, Ukraine and Belarus. From this range of countries we can discern three main paths of transition in terms of political, social and economic transformations. They are the Central European path, the Eastern European path and the Southern European path. Although political and economic transformations have been relatively well documented, there has been less information about social transformation in any systematic or comparative sense. In this paper, we draw upon indicators of social transformation using longitudinal survey data in order to explore ways in which social transformation can be explored in comparative perspective.

Zusammenfassung

Die sozialen Veränderungen im Zuge der "Sanften Revolution" von 1989 hatten tiefgreifende Auswirkungen auf die osteuropäischen Länder. Viele seither publizierte Texte, die das Phänomen des "postkommunistischen Übergangs" zum Thema haben, generalisieren die Erfahrungen eines Landes oder einiger weniger Länder, obwohl sich in den einzelnen Ländern unterschiedliche Transformationsmodi zeigen.

In diesem Artikel werden die Veränderungen in zehn postkommunistischen Ländern behandelt: Polen, Tschechien, Slowakei, Ungarn, Slowenien, Kroatien, Rumänien, Bulgarien, Ukraine und Weißrußland. Innerhalb dieser Länder sind drei generelle Transformationsmodi bezüglich politischer, sozialer und ökonomischer Veränderungen feststellbar, nämlich der zentraleuropäische, der osteuropäische und der südeuropäische Modus. Während politische und ökonomische Veränderungen bisher relativ ausführlich dokumentiert wurden, gibt es nur wenige systematische Untersuchungen bezüglich der sozialen Veränderungen im Ländervergleich. Der vorliegende Artikel behandelt diese Veränderungen anhand von Längsschnittdaten, um Wege aufzuzeigen, wie soziale Transformationen in einer komparativen Perspektive analysiert werden können.

Acknowledgements: *We would like to acknowledge many discussions with Cezary Milonsinski from which many of these ideas emerged and also his commentary on an early draft of the text.*

Contents

A considerable literature has now appeared on "transitology" which seeks to analyse the changes taking place in post-communist Europe - even journals have appeared specialising in this task. However, there is a tendency to generalise about "post-communism" based upon one or a very small number of countries. Our argument is that the apparent uniformity imposed by communism on Eastern European countries disguised many important differences between them. Moreover, now, nearly ten years after the so-called "revolutions" there is an increasing diversity of developmental patterns among these countries. We analyse only the East-Central European block of post-communist countries (Poland, Hungary, Czech and Slovak Republics, Bulgaria, Romania, Ukraine, Belarus, Croatia and Slovenia). Based upon our longitudinal survey data alongside macro-economic data, we can define three separate paths of transformation as emerging.

Communist modernisation imposed an apparent conformity upon societies in East Central Europe through a model of forced development. Industries and land were nationalised, populations were rapidly urbanised and housed in high rise blocks, the means of production and exchange were controlled by the state and the state was controlled by the Communist Party. Universal education produced a strata of educated intelligentsia who were unable to climb to powerful positions unless they joined the political *nomenklatura*. There were also important differences even within communism. In Poland, for example, there was extensive private land ownership, whilst in Hungary under the later decades of Kadarism, a semi-private sector also developed. In the Czech Republic, the industrialisation which already existed before communism was redirected through the communist model of modernisation. Romania and the former Yugoslavia distanced themselves from Soviet domination, whereas the other countries were governed ultimately from Moscow. However, despite this variation, we could say that a particular model of political, economic and societal modernisation dominated these countries based up a version of Marxist theory.

All of these countries gained their autonomy from this system within the space of a few years between 1988 and 1992. In some countries this was the result of popular protest, which was not crushed by Soviet military intervention, as had happened on previous occasions. Examples of this would be the rise of the Solidarity movement in Poland and the student demonstrations in November 1989 in Prague. In most cases these were peaceful protests, although in Romania there was fighting and the former communist leader was shot rather than peacefully retired from power. In other countries, the revolution came not so much from below as from above with a change in the political elite, or even with a change only in some of the ideas of the political elite whilst the same people remained more or less in power. This was much more the case in Bulgaria, Belarus and Ukraine. In the latter two countries the important moment was the dissolution of the Soviet Union which granted, or forced them (depending upon how it is viewed) into independence. In each country the politics of national identity emerged more strongly as a result of these so-called revolutions and politics became more "ethnicised" (Offe, 1995). In the countries which formerly formed Yugoslavia

this resulted in civil war and their independence from communism and from each other took place only with violence.

Although the complex processes referred to above are often referred to as the "transition" from communism, this begs the question of what it is a transition *to*. In the beginning it was believed that this was simply a transition from communist society to democratic market societies (Vecernik, 1996) (Staniszkis, 1991). Now there is no longer any such certainty. Although it is clear what there is a transition *from*, the direction taken by the changes in these various societies if often far from clear and there is sometimes more what could be described as a de-modernisation, or collapse of former institutions rather than a new phase of capitalist modernisation. It is no longer clear that a democratic market society is necessarily the end product of this transition, as was originally believed in the optimistic post-revolutionary period in the early 90's. For this reason, it is better to speak of *transformation as an open-ended historical process* rather than transition. Some kind of transformation did undoubtedly take place, but we do not hold any assumptions that this represented linear development in any particular direction and a clear goal, as the idea of transition implies.

Theories of Transformation

We can also distinguish different kinds of transformation. In the post-communist transformation of East-Central Europe things happened with varying speed. Ralph Dahrendorf (Dahrendorf, 1991) for example, argued that whilst political transformation might be fairly rapid and economic transformation could be introduced within a few years, social transformation was a much slower process and would take decades. Claus Offe (Offe, 1994) on the other hand, argued that political and economic transformation might even conflict with one another.

On account of the interest of the international community in these transformations, the economic changes have been fairly well documented. It is possible to find statistics about inflation, unemployment and GDP fairly readily, produced by a variety of international bodies and these indicators are often used to describe the "progress" of different Eastern European societies. However, aggregated economic indicators, whilst they have improved in quality since the early 1990s, may still be based upon data which does not necessarily follow market capitalist principles and EUROSTAT-standards (there are allegations that those for Belarus, for example, are falsified to give an impression of stupendous economic growth)[1]. Furthermore, the considerable informal economy in most of these societies means that a large proportion of people's actual economic activity is not measured by formal indicators (Sik, 1993) (Rose & Haerpfer, 1992). Finally, these aggregated economic indicators at the macro-economic level tell us nothing of the experience of different sub-groups and

[1]Report by Lavon Zlotnikau in RFE/RL Newsline Vol 2 No. 58, 25th March 1998.

households. Economic transformation is therefore fairly well documented but in a rather limited way.

Political transformation is also quite well documented with a range of texts emerging about elections and party formation (see for example (Wightman, 1995) (Henderson & Robinson, 1997) and (Przeworski, 1991)). The party systems and elections are relatively straightforward to collect data about - although perhaps less straightforward to interpret (see the series edited by Hans-Dieter Klingemann and Charles Taylor about founding elections in Eastern Europe, (Toka, 1995) (Gabal, 1996) (Karasimeonov, 1997) (Siber, 1997) (Goati, 1998)). The political opinions and patterns of political attitudes of the population are less straightforward to collect, although texts are emerging based upon empirical data which analyse these (Rose, Mishler, & Haerpfer, 1998).

Social transformation is less well documented and much more difficult to define. Polish, Hungarian and Czech sociologists have for some years been developing concepts and documenting different aspects of social transformations (see (Vecernik, 1996) (Connor & Ploszajski, 1992) and Ploszajski) (Machonin, 1992) (Adamski, 1992) (Wnuk-Lipinski, 1995) (Rychard, 1993) (Staniszkis, 1991)). They have been trying to make sense of the connections between the past, present and future of their societies and have been concerned to document the contradictions and problems in the process of transformation. Moreover, these social scientists are usually trying to explain the changes in their own societies. The ideas of these social scientists have therefore influenced us in trying to develop explanations for the patterns of variation in the empirical data which we have collected. The challenge is to develop ways of understanding post-communist transformation which are sensitive to the conditions in those societies and deriving from the empirical reality which exists there. Here we will try to use some of these ideas to look at changes in a comparative perspective.

Political, economic and social transformations merge when we look at real events which have taken place. Thus, for example, the political elite has been busy converting its "political capital" into real capital during the course of transformation and many members have become the new plutocrats, an important element of social and cultural stratification (Staniszkis, 1991). As a consequence, they still exert considerable power over the state and over the political leaders. In addition, following the tradition of Polanyi, we could say that economic decisions are not made according to abstract, formal principles but rather are embedded in the real everyday behaviour of social groups (Bryant & Mokrzycki, 1994).

We shall outline three mains sets of ideas derived from this literature in trying to elucidate the different kinds of transformations taking place in the 10 countries under consideration. They could be described as theories and concepts of the macro, micro and meso levels. First, at the *macro level*, a number of sociologists have looked at structural tensions between change and stasis at a systemic level (see for example (Rychard, 1993) and (Staniszkis, 1991)). If they use empirical data at all it is to illustrate their theoretical arguments.

A second group of sociologists have concentrated more on the *micro level* of analysis. They have looked from the bottom up perspective at what households and individuals are actually doing and thinking, at individual behaviour and attitudes rather than constructing grand theories of transformation. Examples of this are Sik (Sik, 1998), Vecernik (Vecernik, 1996) and ourselves (Wallace and Haerpfer, 1998) (Wallace, 1998). Some in this tradition have concentrated upon new forms of inequality and poverty (Ferge, Sik, & Vecernik, 1996). Others have looked at the changes in behaviour following the changing conditions (Mozny, 1994). This tradition is rooted more in empirical analysis.

Finally there are ideas developed at the *meso level.* These are often the ideas of the sociologists who began at the micro level and try in an inductive manner to develop middle-level theories to understand and explain the situations that they are describing (as is the case with the work of Ivo Mozny and Martin Potucek, Jiri Vecernik or Zsuzsa Ferge for example). Alternatively, they apply ideas and concepts derived from a more global social science literature but in ways particular to their own societies, but rooted in empirical analysis. This is the case with the work of Zsuzsa Ferge and Endre Sik.

Examples of these meso level explanations which are helpful in understanding social transformation are those of "path dependency" "social capital" and "household strategies". Endre Sik, for example, has developed the concept of "path dependency" (Sik, 1998) . Sik demonstrates how we can understand the development of transformations in post-communist societies we need to look at the way in which small and sometimes fairly arbitrary changes or institutions can set the path of development in quite unforeseen ways by looking at the development of open air markets in Hungary.

> The path dependency approach is not simply fashionable and sophisticated revival of historical determinism. In its original form this approach assumes and institutional framework in which actors make "embedded" but not fully determined decisions.....it is not only the small and unforeseen nature of events that can create history. It is important to understand both the dynamics of the path dependent approach as explaining contemporaneous phenomena and also the way in which decisions made and institutions created within this framework can have unintended influences upon the future as well... Thus even the most carefully planned and designed institution (from a constitution to a new machine) can have unforeseen long term consequences. (Sik 1998:5-6)

Thus, once an institutional reform has been introduced in a particular way, this has repercussions for what comes later. This concept is useful for us here because it can help to explain the increasing diversification amongst the post-communist countries which we are considering.

Some sociologists, for example, have argued that the socialist distribution system created a certain kind of social structure, with vested interest groups who now shape the path of social transformation and are unwilling to let go of their positions (Mokrzycki, 1993). This is why, for example, the privatisation of some large enterprises and industries has been stalled or diverted in particular ways because the people working in those enterprises are able to resort to various kinds of pressure and lobbying to preserve them, even when they are giant loss-makers (Wnuk-Lipinski, 1995).

The concept of social capital developed also by Endre Sik and others has been used to help to explain the way in which investment in social networks and connections, already important in the communist period, also becomes a way of securing resources and insuring against the prevailing economic insecurity in post-communist societies (Stark, 1991), (Sik, 1994), (Wallace, Chmouliar, & Bedzir, 1997), (Kolankiewicz, 1996), (Rose, Mishler, & Haerpfer, 1997). Social capital, thus can be important not only in the survival of some families but also in the constructing the new forms of stratification emerging. Mozny has argued that for the top strata it is a way of accumulating and securing wealth and amongst the bottom strata it is a way of ensuring economic survival[2].

The concept of household strategies and the informal economy has likewise been developed as a meso-level concept in the course of explaining social transformation. Richard Rose has both theorised and documented how households use the informal economy, drawing upon different sources of assistance, such as using foreign currencies, self provisioning of vegetables and food, second job holding, using help from friends and relatives, or accepting paid help from friends and relatives (Rose & Haerpfer, 1992). This has been developed more recently by Timo Piirainen in looking at Russia (Piirainen, 1997). Piirainen argues that the new forms of stratfication emerging in Russia depend upon whether households are oriented towards integrating themselves into the newly emerging market economy or into the more traditional style Soviet economy. Informal activity could be either defensive and traditional - taking the form of household self-provisioning for example - or more enterprising through using informal as well as formal market mechanisms. These strategies would likely determine whether the household was upwardly or downwardly mobile.

Stratification studies often begin at either a macro or a meso level with a priori concepts of status. These were often useful in the past for looking at, for example social mobility in communist societies when the situation was for many years rather stable and social categories plainly structured (see for example (Mateju, 1990). However, in a rapidly changing situation such as that prevailing in post-communist societies these are not necessarily the most appropriate methods (Kolankiewicz, 1996). In situations where private fortunes are rapidly and mysteriously accumulated much information about this is not accessible from traditional stratification studies. Moreover, high status people are not

[2]Speech presented at Conference in Prague, February 1998.

necessarily high earners (train drivers still earn more than senior doctors in many post-communist societies) and the divisions between public and private sector mean that a "manager" in one sector can have a wholly different life-style to a manager in another. The communist-era status groups still exist together with new market-derived status groups. New cultural and life-style cleavages are emerging (Sampson, 1996). This illustrates the importance rather of using micro level approaches - studying first what is there and also the use of concepts such as social capital, path dependency and household strategies in order to understand social transformation in these contexts rather than only traditional notions of class and status. Thus, the new proposals for studying social stratification from Kolankiewicz, Piirainen and others tend to be based upon meso-level concepts. However, as Ray (Pahl, 1996) has indicated in his commentary on Kolankiewicz, this does not necessarily amount to a new theory of stratification in post-communist societies. For that to emerge there need to be new links made between the macro, micro and meso levels of social analysis.

There is thus a danger on the one side of theorising without any empirical data or of using a priori categories which may no longer be applicable. On the other side there is a danger of having detailed empirical data about one country from which it is difficult to generalise about "social transformation" generally. Here we try to go beyond this by considering empirical data at a cross national level, using data provided by households and individuals in the ten post-communist countries. We will use the responses provided by individuals as indicators of different features of transformation. As social scientists coming more from the micro level, we would emphasise the importance of looking at individual responses to structural changes in society and as a balance against the more usual use of aggregated economic and statistical data (for examples in measures of GDP, industrial output etc.). This follows from the approach developed in political science by Richard Rose (Rose, 1989). We do not have complete data (a more systematic analysis of social transformation is currently the object of a research application) but what we are trying to do here is to map out some of the patterns of response in different geographical contexts. The contexts are of course not only geographical but reflect different cultural and historical traditions which are "path dependent". In doing this we encounter a further danger - that of generalising across very different societies and regions, from a position of "outsiders" and the various misleading stereo-types and false assumptions that this can entail (see (Wallace, 1995)) . This paper therefore represents only an attempt to try to understand some of the diversity in post-communist social transformation rather than claiming to be a definitive explanation for it.

Sources of data

We are mainly using the New Democracies Barometer (NDB) as our data source. This is a representative sample survey of approximately 1000 respondents per country in the following

countries: Poland, Hungary, Czech and Slovak Republics, Bulgaria, Romania, Croatia, Slovenia, Ukraine and Belarus.

The NDB surveys were carried out at the following time points:

NDB 1: winter 1991/1992

NDB II: winter 1992/3

NDB III winter 1994/5

NDB IV winter 1995/6

NDB V spring 1998 (not yet available for analysis).

Not all the countries were surveyed from the beginning, and some countries were only created over the lifetime of the survey, but most countries were surveyed on most occasions. Some questions were repeated each year, enabling comparisons over time, and other questions were only used in particular years. The survey is concerned mainly with attitudes towards political and economic change, so indicators of social transformation have to be derived from these. However, there was a body of questions each year about the economic activity of households, including their informal economic activity of various kinds (Rose & Haerpfer, 1992). We have also used where necessary comparative aggregated economic data.

Three forms of transformation

Following Ralph Dahrendorf (1991) we shall describe three forms of transformation: political, economic and social transformation. We can make analytical distinctions between them, although these forms of transformation are, of course, interrelated. They tend to be documented separately, which makes them also easier to describe in this way and although economic and political transformation tends to be quite well documented, social transformation is still a rather cloudy issue.

Political transformation

Post-communism began in Eastern Europe with a change in the leading political personnel, at least in the Central and Southern European countries. With no support from Moscow, the ruling communist-era elites mostly simply resigned from power, pushed out by popular reform movements. Multi-party systems were introduced and a system of free general elections, which sometimes, but not always, brought in a change in the political elite. The dissolution of communist-era supra-national institutions encouraged the development of nationalist politics

and nationalistic demagogic leaders in some countries, leaders which used the authoritarian techniques learned from their communist predecessors to stay in power. In some cases this ethnicisation of politics had the effect of violent or other kinds of repression of minority groups and neighbouring countries.

Economic transformation

Economic transformation brought in increasing globalisation of post-communist economies with a range of international aid programmes and "advice" by international bodies. Foreign investment also flowed in, although not to the extent that was hoped, as the post-communist countries provide a cheap labour force and new markets for capitalist enterprises. The introduction of a more open labour market, rationalisation of traditional industries (although again, not as much as was expected) and the de-regulation (or partial de-regulation) of prices created a new economic environment which was felt immediately in the form of galloping inflation, falling real incomes and increasing numbers of people out of work. Reforms in social security and tax attempted to increase individual responsibility for welfare and to withdraw the state from key areas of the economy and society. One of these key areas was ownership of the means of production and exchange - privatisation of various kinds was introduced in all the post-communist countries. At one level the established enterprises were the subject of privatisation programmes to change their ownership, often using foreign investment. On the other hand new legal frameworks were provided for allowing the flourishing of new private enterprises. The informal economy, which had been important as a parallel form of supply and distribution under the old regime and a way in which families survived the state system, took on new roles and became also more "marketised". Thus, trading as well as self-provisioning became more important, and entrepreneurial activity was born out of the "hidden economy", particularly in countries where the legalised forms of business activity were limited (Wallace et al., 1997)

Social transformation

Whereas the former regimes tried to ensure social inequality, equality of incomes and of access to social goods (in practice this varied a great deal), this forced egalitarianism is now replaced by increasing differentiation according to social groups. Wealth is increasing the source of difference rather membership of the Party or *nomenklatura* as was the case previously. Many people have suffered poverty as a result of these changes as inflation has eroded incomes, especially those in the public sector. The "winners" of the transformation process, at least in the form of their attitudes, are people living in urban areas, especially capital cities, the younger people and the highly educated. The young "entrepreneurs" are the most obvious winners. The "losers" are the unemployed, children and semi-and un-skilled workers (Ferge, 1996) (Wallace, 1997). Households and individuals are linked in different ways into the capitalist market economy through the labour market and through the process of consumption as private property becomes increasingly a source of differentiation amongst

population groups as land can be bought and sold, flats and houses purchased and cars and other goods become more readily available for those who can afford them. Participation in the private market sector and conspicuous consumption became forms of social differentiation which were previously suppressed. Ownership of consumer goods and life-style can therefore be an important indicator of social differentiation (Sampson, 1996). However, the old "socialist" sectors of the economy still continue with large enterprises and state or collective farms employing large numbers of people, usually on very low wages and sometimes with forced "holidays" of non-payment. The middle class in the public sector (doctors, teachers etc.) continue to do badly with declining resources and low wages, whilst those in the private sector or working for international companies do very well.

Longitudinal data analysis indicates that there is a crystallisation of different attitudinal groups in post-communist societies with some being pro and some anti-reform and that these groups are associated increasingly with definable social characteristics (Vecernik, 1996) (Wallace, 1998). Whereas in the early post-communist period everyone was simply against the old system, we can now find groups who are for and against with different value orientations. This implies that some kind of new social structure is emerging (Wallace, 1998).

Because the process of privatisation and introduction of markets could not always successfully be controlled by the state and in some cases was distorted by armed conflicts, much economic "entrepreneurship" takes places outside of the state regulation. Thus, corruption continues to play an important part and in some regions is even increasing in importance. In some cases corruption shades into criminal "Mafia" type interests who have links with the state bureaucracy and can influence the political elite and may even control whole parts of the economy.

The former forced equality between genders and ethnic minorities has also given way to increasing differentiation, often to the cost of women and certain ethnic groups such as Roma (Funk and Muller, 1993). However, the situation is very complex and worthy of more intensive study. The forced equality of men and women under the former regimes concealed the considerable domestic burdens of women and now it is often women`s skills which are valued in the newly emerging service sectors. Gender transformations have not been documented as an integral part of social transformations generally (Wallace & Fine, 1996).

Civil society has been an important topic of interest in understanding post-communist transformations since it was argued that the division between the *nomenklatura* "rulers" and the rest of the society who were only "ruled", wiped out the middle layers of associational and institutional life through which people could participate in their own societies (Staniszkis, 1991) and which would operate as a check upon the power of politicians and capitalists under conditions of post-communist transformation (Keane, 1988). Building such institutions is a slow process and Vaclav Havel in a recent speech declared himself disappointed that the economic reforms have been prioritised at the expense of "civil society" in the Czech

Republic. Nevertheless, there has been development of civil society, including clubs and associations for different professional, groups, the development of charities and non-governmental organisations and more civic participation in local government and regional projects in post-communist countries.

The extent and impact of these changes is however, very variable in Central and Eastern Europe, as we shall show next.

The Three Paths of Transition

In the following chart we have distinguished three paths of transition associated with the three regions: Central Europe, Southern Europe and Eastern Europe. We have also summarised the data according to political, economic and social transformations. In summary, we could say that the Central European path of transformation is the one which is leading those societies more in the direction of a western European model, albeit western European societies with dominant states and egalitarian tendencies. These countries have embraced reform. The Southern European countries appear to be going in the same direction but in a more faltering way with more ethnic, economic and political instability. The countries of the Eastern European are perhaps not even developing in this direction at all and in their case we can see more a collapse of former institutions without them being replaced by viable alternatives.

This analysis began as a way of trying to explain why the countries of Central Europe (elsewhere we have termed them the "buffer zone") have attracted migrants from countries to the East and South (Wallace, Chmouliar, & Sidorenko, 1996). We now present a more fully developed regional analysis of these imbalances.

	Central Europe	Southern Europe	Eastern Europe
Political Transformation	Consolidation of multi-party system. 2-3 elections. Increasing political stability.	Multi-party system but political instability. 2-3 elections. Anti-democratic forces also very strong.	Few political parties. Former communists very strongly repre-sented - usually they are the political elite. Elections not well established - low turn out or abolished.
	New democratic leaders	Tendency towards authoritarian/nationalist leaders. Some old communists reborn as nationalists.	Old communist leaders mainly in power.
	Consensus amongst political elite for market system and democracy	No strong consensus amongst political elite. Also nationalist and authoritarian tendencies.	No reform wanted or little reform.
	Population generally very pro-democratic	Population generally very pro-democratic	Large part of population preferred previous regime.
	Peaceful resolution of minority problems and borders.	Recurrent problems with minorities and borders. Civil war.	Few problems with minorities or borders except for pro and anti-Russian faction.
Economic Transformation	Much foreign investment and European/international aid programmes.	Some foreign investment and European/international aid programmes.	Very little foreign investment or international aid programmes except in the area of nuclear arms.
	Rising incomes and economic growth after initial fall.	Slow economic growth, lower incomes.	Very low incomes, continuing decline of economic growth
	Inflation high but under control.	Very high inflation	Hyper-inflation and economic instability
	Extensive privatisation	Limited privatisation - often not successful	Very limited or no privatisation
	Tax reform and introduction of social security system	Some reforms in tax and social security	No reform in tax and social security
	Separation of state and other expenditure	Some separation of different expenditures	Controlled by state expenditure
	Population mostly pro-economic reform	Population mostly pro-economic reform	Many people against reforms
	Informal economy important but declining because more formal ways of making a living are available	Informal economy still very important	Growing Informal economy is main way to survive due to collapse or crisis of formal economy.
	High unemployment	Very high unemployment	Low unemployment and non-payment of wages

Social Transformation	New market oriented middle class developing Private and public sector distinction.Old industries alongside new market sectors.	Middle class underdeveloped. Tendency towards criminal control of economic interests	Small strata of nouveaux riches. Everyone else poor. Private sector limited apart from in informal economy
	Corruption low	Corruption high	Corruption very high
	Civil society developing	Civil society nascent	Not much civil society
	Ownership of consumer goods high and growing rapidly	Ownership of consumer goods fairly high.	Ownership of consumer goods very low.

The Central European Path

In our survey, this includes the following countries: Czech Republic, Slovakia, Poland, Hungary and Slovenia.

Political Transformation

In these countries the early coalition of forces opposing the communists which consisted in different countries of trades unions, green movements, dissident intellectuals, the Roman Catholic church, and so on formed the first democratic governments after the retreat from power of the former communist leaders. In the next few years this broad opposition front fragmented into a myriad different parties - some consisting of only a few members. These parties did not really represent any population groups. At this time it was difficult to distinguish left from right or other more conventional political alignments and parties included for example the "Beer drinkers" Party which represented not so much a set of political interests as a style of life. After one or two elections, these parties consolidated into broad blocks and coalitions representing more conventional left-right and liberal divides (Rose et al., 1998). Although socialist parties have been influential in all these countries, and they may contain former communists, they are generally more recognisable as social democratic parties in the Western European sense and are recognised as part of the socialist international.

These parties have thrown up new leaders which may have had no roots in the former system, or may indeed have been dissidents in the former system. Although at first these parties were not connected with any social power bases, increasingly there is the development of interest groups which are connected with particular political parties, as is the case in Western European societies. There has been a process of what Henderson and Robinson (1997) have termed "crystallisation" of party politics. In general, the political elite, no matter what their background, support the market and democratic reforms, which is why

there is not much difference in policies when socialist parties are elected to power. They may however, disagree about the pace of reform and the way in which it is carried out.

A priority for all these governments when they came to power was to stabilise their borders which were drawn up after the second world war, often under coercive circumstances. These border disputes were peacefully resolved after negotiation with neighbouring countries. Each of these countries contains national minorities of various kinds, but despite the fact that democratisation has given a more a strident voice to these national minorities, they have generally been peacefully incorporated into the democratic process. In the case of Czechoslovakia, the tensions developed by the demands for more autonomy by Slovakia were resolved by negotiation when the country divided into two separate states (see Chart 1)[3].

The Central European concept of "minority" is one of a group which is fairly well assimilated already, since these are relatively homogenous ethnic communities, ones in which minorities questions were "solved" by a range of purges and by the holocaust fifty years ago. Hence, although there are a large number of Slovaks in the Czech Republic, for example, they do not represent a very distinct national minority there.

The Central Europeans have consistently supported the current political system and the process of democratic reform (see Chart 3), have been more negative about the communist political system and more positive about the future political system than people in the other two clusters of countries.

Economic Transformation

The Central European countries have benefited from a range of international aid programmes such as TEMPUS, PHARE and have had a steady stream of foreign advisors from institutions such as the International Monetary Fund, the European Bank for Reconstruction and Development and so on. These programmes have helped to further stabilise a peaceful transition to democratic capitalism. These countries have also benefited from foreign investment, joint ventures and other forms of economic assistance. Thus, in Chart 5 we can see a steadily rising pattern of incomes, diverging increasingly from our other two clusters of countries.

The result has been that these countries could be said to be examples of successful economic transformation. Although in the first few years of transition, production and incomes fell dramatically and inflation rose, inflation is generally under control now and production and incomes started to pick up from the mid-1990s. Chart 6 shows the relative inflation rates of

[3]However, Slovakia has had on-going diplomatic argument with Hungary around the presense of the Hungarian minority there, which represents about 12% of the population.

the three clusters of countries, although we should bear in mind that even in the Central European group of countries, inflation is still high.

However, these improvements have tended to be at the expense of high unemployment. Unemployment has been high in all of these countries (except the Czech Republic - but unemployment is also rising there over the last year) and this reflects the rationalisation of various industries and the impact of neo-liberal policies in the labour market. In Chart 7 we can see that unemployment rates remain at a steadily high level, over 10% on average.

Each of these Central European countries has introduced a privatisation programme (except Slovenia) which has been relatively ambitious. In Hungary, enterprises were privatised in such a way that managers, who had previously also exerted a lot of power, retained a great deal of influence. In Poland, because of the strength of the Solidarity movement, the workers in the enterprises were much more involved in the process an in the Czech Republic there was the attempt at a "citizens privatisation" through the use of vouchers (Frydman, Rapaczynski, & Earle, 1993). In practise, in both Hungary and Poland many key enterprises have not been privatised at all as the governments cannot afford the political unpopularity that this will bring, and it is arguable that even the privatisation which appears to have taken place has resulted only in "recombinant property" relations rather than real privatisation (Stark 1996). That is, the ownership has changed but it is not necessarily fully in private hands. In the Czech Republic the apparently successful privatisation turns out to have been something of a sham so that "recombinant" property ownership is the result there too, with the state still holding a significant interest. However, in each of these countries the small privatisation, taking place mainly through auctions and leaseholds, has been a conspicuous success, encouraging a large undergrowth of small, private businesses which have been legally established and institutionalised (Earle, Frydman, Rapaczynski, & Turkowitz).

In each of the Central European countries, tax reform was introduced since 1993 with greater lesser success, so that individual taxation was introduced. The result is that the informal economy is transformed into a method of avoiding taxes rather than a method of survival, as it was in the past: the second economy existing under socialism became the "informal economy" in the words of (Sik, 1993) Queuing and surviving on home-grown produce, currency speculation and other more traditional "communist" forms of the informal economy (see (Rose & Haerpfer, 1992)virtually disappeared. Thus, in Chart 8 and 9 we can see that queuing or growing food became less and less important as a form of survival in the Central European countries. Corruption, although still a part of economic life in Central Europe (as is evident in all the scandals regarding bribes for politicians in the privatisation process) is the lowest of all our clusters of countries - an addition to the economy rather an institutionalised part of it (Nowotny, 1998). Economic reforms have been carried out generally in a rational legal way rather than in a criminal way.

Linked to this taxation system as a way of paying for social expenditures, the governments in these countries have been attempting to separate different state functions and to link them to separate budgets. Thus, health services, education and so on whilst still funded mainly by the state, increasingly have their own budgets and social insurance has been introduced so that participants can fund themselves. Private institutions have also been introduced in many cases (Ringen and Wallace 1994a, Ringen and Wallace 1994b, Ringen and Wallace 1995).

Social Transformation

The relative success of the transformation in Central Europe is reflected in social transformation. A new middle class has been developing in Central Europe, based in the emerging service sector rather than in the old heavy industries. On the other hand, the managers and workers in large plants remain as important interest groups. New social cleavages have emerged between those working in the public or private sectors. In Chart 13 we can see that in Central Europe people are less likely to work for the state and more likely to work in the private sector than is the case in the other two clusters of countries we are considering.

The general improvements in living standards and optimism about the economy and the political regime in Central Europe is reflected also in people's assessment of how their personal situation has changed. Chart 14 indicates that many people in Central Europe were able to earn enough from their main job to meet their needs - almost half, compared with only 14% in the Eastern Europe. In Chart 15 we can see that the Central Europeans seldom or never had to do without basic necessities whereas in the Southern and Eastern European countries, this was often the case. Furthermore, Central Europeans were more optimistic about how long it would take them to reach a standard of living with which they were content (Chart 16). Another indicator of wealth was car ownership (Chart 17) and we can see that the Central Europeans are doing better here as well. In the deprivation indicators, Central Europeans are much less likely to have spent their savings and borrowed money in order to survive and many had even saved money (Chart 18). The final indicator which we use here is the individuals assessment of their situation in relation to the past, before the transformation began. They were asked about the differences between their present lifestyle and that under the former system. Here we see that the majority in every country felt that they were better off in the past than they are in the present, but this number is higher in the other two clusters of countries. Given this result, it is surprising really that so many people nevertheless support the general direction of economic and social change.

The Southern European Path

In our surveys these countries included Romania, Bulgaria and Croatia.

Many of the reforms described in the Central European countries have also been introduced

Political transformation

In the Southern European countries a multi-party political system has been introduced but there are also strong anti-democratic forces. Many of the former communist leaders became nationalist leaders, but use the same tactics to maintain power[4]. Democratic politics remain unstable and political parties have not "crystallised" into recognisable and stable blocks in the words of Henderson and Robinson (1997). Although there may have been elections in the Southern European countries, the governments are rather unstable, often unable to see through political or economic reforms (also sometimes unwilling to do this). Governments are likely to be overthrown or threatened by mass oppositional protest movements as was the case in Bulgaria and the Federal Republic of Yugoslavia in 1996/7.

In the Balkan countries minorities and ethnic groups are regarded as problematic and there is not necessarily any clear resolution of these problems - although in some cases relations have been improved, as is the case of the Hungarian minority in Romania. Unlike in the Central European countries, the Southern European concept of a national minority is usually of a very distinct linguistic, cultural and religious group, often residing in particular regions. It is much less easy to assimilate such groups. Borders are disputed, especially in the former Yugoslavia and relationships with minority groups remain tense with the possibility of violence or repression. The people in Southern European countries are most likely to see the ethnic groups and minorities as a threat to the peace and security of their country (see Chart 1) (Haerpfer & Wallace, 1997).

Nevertheless, the people in the Southern European countries very strongly support democratic changes . To begin with, they were even more enthusiastic about democracy than were the Central Europeans, although this has fallen off a bit more recently (see Chart 3). The people of the Southern European countries have little nostalgia for the previous communist regime and when asked about the future they are extremely optimistic. Therefore, despite the relative lack of success in the installation of democratic institutions, the Balkan peoples are enthusiastic democrats and more resemble the Central Europeans in their attitudes, if not in their practices.

---

[4]For example by suppressing the media, persecuting oppositional groups and by blaming the "international cosmpolitan conspiracy" for domestic problems.

Economic transformation

The Southern European countries have attracted some foreign investment and have been targets of European and international aid programmes, but their poverty and political instability has meant that they enjoy far lower investment than do the Central European countries. Incomes are generally much lower than in Central Europe, and do not seem to be rising and economic growth is lower. There is far higher inflation in the Southern European countries than in the Central European countries and in this respect they more resemble the Eastern European countries. There has been some privatisation, especially in Romania, but much of this has not brought about as many new private ventures and initiatives as in the Central European countries. The Southern European countries are more prone to stagger from one economic crisis to the next and this is particularly evident in Bulgaria last year with its hyper inflation and economic collapse which was generated first of all by lack of reform and political inertia. Nevertheless, in terms of the attitudes of the population, there is strong support for change and optimism about the future. The people of the Southern European countries are just as negative about the past economic system as are the Central Europeans, but are less enthusiastic about the present economic system, perhaps because of all the hardships and poverty it has brought to many people in these countries (see Charts 10 and 11). They are also less optimistic about the future economic system (Chart 12). In the Southern European countries, a large number of people still work in the state sector, and if they work in the private sector, it is in new enterprises, reflecting the lack of privatisation generally. The high number of independent farmers in the Balkans reflects the fact that agriculture was privatised, but in such a way that many people in some regions were turned back into peasants. That is, they were restituted small unviable plots of land and a small number of livestock.

In the Southern European countries, corruption is more common (Nowotny, 1998) and this was further exacerbated by conditions of civil war and the international embargo on Serbia which encouraged a flourishing black market and a tradition of arms and fuel smuggling to beat the embargo. This in turn allowed the development of criminal groups who organised such activities, not only in the former Yugoslavia but also in neighbouring Bulgaria and Albania and these groups were later able to control whole sectors of the economy with links to the state, to politicians and to the privatisation process. The traditional informal economy is also important for many people in the population with growing food having a high priority (see Chart 9), although queuing has dropped dramatically since 1993 (Chart 8). The Southern European countries, have suffered the highest unemployment of all our country clusters, although this seems to be falling in 1996.

Social transformation

The middle class is underdeveloped in the Southern European countries and it may be linked to more criminal interests. Civil society is not so well developed and often takes the form of

the representation of religious and ethnic minorities. There is clear stratification by ethnic groups, with the Hungarians and Germans in Romania, for example, holding a privileged position, whilst the Romanians are not so privileged. In Bulgaria, the Turks are an underprivileged group and in all countries Roma (Gypsies) form a distinct semi-criminal, semi-literate and often unemployed sub-strata to a much greater extent than is the case in the other countries we are considering. Roma often live in a parallel, separate society, either as nomads or within fenced off ghettos where other citizens seldom venture[5].

The informal economy can also develop around ethnic groups as the stigmatised Roma and Turks find a niche in small-scale entrepreneurial activities such as trading, which it is more difficult for the dominant population to break into (Thuen, 1998; Konstantinov, 1998). These and other ethnic groups are able to use their Diaspora in other countries as a source of social capital in the course of developing capitalist market activity.

There is much poverty in the Balkan countries as the reforms have hit the population quite hard, but they began from a poorer position than the Central Europeans at the beginning of the transformation process (in the former Yugoslavia this situation was exacerbated by war and the international embargo). Nevertheless, 39% are able to live on their earned incomes, which is not as high as in Central Europe, but higher than in Eastern Europe. Car ownership is also relatively high, almost the same as in Central Europe. On the indictors of household personal poverty and deprivation, the Southern European countries fall between the Central Europeans and those of the Eastern Europe. They are more likely to do without than are the Central Europeans (Chart 15) and although few of them are content with their income, they are rather optimistic about how long it will take them to catch up (Chart 16). More of them have had to spend savings and borrow money in order to survive than is the case in Central Europe. Again, this optimism about the future and support of economic reforms is quite surprising when we look at the results represented in Chart 19 where only 16% felt that they are better off than they were in the past under the communist system. This represents perhaps the triumph of hope over experience.

The Eastern European path

Here we are considering only two countries of the former Soviet Union: Ukraine and Belarus, so our conclusions cannot be generalised to other countries. Within wider Eastern Europe and the former Soviet Union very different transition paths can be discerned, but these are not the topic of our paper.

---

[5]Sijka Kovatcheva, personal communication.

Political transformation

In Ukraine and Belarus, there are relatively few political parties. The transition from Communism did not take place because of popular national movements, but rather autonomy was granted from Moscow and left to local leaders to define. It should be said, however, that there were also strong nationalist tendencies in Western Ukraine which encouraged Ukrainian autonomy and its departure from the CIS. Of these two countries, Ukraine has moved in a westward-looking direction even if the reforms have been beset by many problems. However, Belarus, having held only one election, is increasingly undemocratic in its orientation and the president has censored the media, prevented elections and persecuted oppositional voices. Even in Ukraine, the elections have only brought in the traditional communist leaders[6]. The result is that these leaders have brought with them the same Soviet-style ideas with which they worked in the former system and which are embodied in their own social mobility. Therefore, reforms have been prevented or introduced in a very piecemeal way and the style of government has a tendency to be authoritarian.

Although there are large minority populations in Belarus and Ukraine, and borders are far from secure, minority and ethnic problems are not perceived as threatening by the population (Chart 1). Indeed, we could say that these countries have potentially the most ethnic and minority/border problems of all the countries under consideration and yet they themselves see them as the least threatening. The main divide is between the Russian speakers and other groups. In Belarus even this is not a clear division and Belarus has been trying to draw closer to her big neighbour, Russia. Ukraine also faces a secessionist tendency among the Tartars of Crimea and there has been a strong division between the nationalist and Ukrainian-speaking western regions (for a while between the two World Wars these formed an independent country) and the Russian-speaking and more pro-Russian Eastern regions. This division between East and West is less unstable than it was in 1992 and represents perhaps one of the successes of the political leaders in forging a new country from potentially disparate parts. Their preoccupation with this and with the military issues and nuclear arms which they inherited (along with devastation of large parts of Belarussian and Ukrainian territory by the Chernobyl disaster) has been the main preoccupation of politicians rather than other kinds of political and economic reform. The difference in minority politics in this cluster of countries, when compared with Central and Southern Europe, is that they hold a third concept of "minority". In these former Soviet countries, there was an attempt to level minority status through participation in that greater supra-national entity, the Soviet Union. Thus, although people may have had a nationality entered on their passports, it was not of any great importance in these countries. Linguistic, cultural and religious differences are relatively minor, borders were not well established and the so-called "minority" population in these countries, the Russians, were formerly the majority population.

---

[6]President Kuchma of Ukraine was formerly director of a large plant and President Lukashenko of Belarus was director of a collective farm.

Not only are the economic elite in favour of centralised control of the economy, but so are most of the population, for whom the previous regime represented relative security and the transformation period is one of alarming insecurity and pauperisation. Many feel that their nation has been humiliated by these reforms. It is not surprising then that the Communists did very well in the recent Ukrainian elections. We can see from Charts 2-4 that the people of Eastern Europe do not much like the current political system and generally preferred the previous system. They are also not as optimistic about the future as the other two country clusters.

Economic transformation

In the former-Soviet countries economic reform has been slow or non-existent. According to many of the indicators, their economies have gone into reverse, with sinking production, high inflation and declining living standards among the population. Incomes have plummeted from an already low level as we can see in Chart 5 and inflation has soared as we see in Chart 6. These countries have attracted very little foreign investment and have not introduced laws to shelter private investments. Although unemployment is very low in these countries, many people are either not working or not paid (see Chart 7) and are therefore even worse off than unemployed people in the other countries, who at least usually receive some benefits. The preferred labour market policy is to retain the workers even if the factory is not operating and people tended to acquiesce in this for fear of finding nothing else. The lack of tax reform is also reflected in the fact that most parts of the economy are state controlled and still dependent upon state expenditure. We can see from Chart 13, where people are working, that the private sector is very underdeveloped.

Because the living conditions of much of the population are extremely poor and have even declined, they depend to a great extent upon the informal economy for economic survival and many traditional "communist-era" practises, such as queuing, which has not changed at all by 1994, reflecting an on-going economics of shortage (Chart 8). Many people resort to growing food, currency speculation and other forms of traditional survival outside the formal economy in former communist countries (Chart 9). This is in contrast to the other countries we are considering here where many of these practices have died out and the informal economy has evolved into new forms (Sik, 1993). The new entrepreneurial activity often takes place in this hidden or illegal sector because the basis for a more legally established group of small entrepreneurs is not there (Wallace et al., 1997).

Not surprisingly, there is great scepticism about the current economic system and rising support for the previous economic system, which was far more stable. However, the people of Eastern Europe are cautiously optimistic about the future (Chart 12).

We could say therefore, that economic transformation in this region has been disastrous and although some economists argue that Ukraine is turning the corner in its economic fortunes,

the crisis in the Belarussian currency in the earlier months of 1998 seem to indicate that the crisis there is only just beginning.

Social transformation

The societies of Belarus and Ukraine are divided between those who are extremely rich by European standards and spend their time and their money in Paris, Vienna, and the South of France the so-called "nouveaux riches" (about 5% of the population), and the majority of the population, who are extremely poor, no matter what their professions. Because of the importance of the informal economy, factors such as owing access to a garden where vegetables can be grown, or a car for transportation can be important factors in differentiating those who are able to survive well and those who are not able to survive so well. Ownership of consumer goods (as indicated by car ownership) is very low (Chart 17) and in these countries the gleaming German Mercedes and BMWs of the rich touch bumpers with the noisy and battered Soviet-era cars owned by most of the population, if they own a car at all.

Civil society is underdeveloped in Eastern Europe and could be said to be not part of the societies there in any traditional sense (Johnson, 1996). For this reason, capitalism is not controlled by any institutional and formal way, but rather tends to be controlled by powerful informal or criminal lobbies and interest groups (WIIW, 1997). The "Wild East" style of buccaneer capitalism is more evident. However, the lack of reform mean that large parts of the market have developed informally in a spontaneous way and new entrepreneurs are often hindered by taxation and other legislation rather than being helped by it. Thus for example, with many shops still empty of goods, people shop in large open air (mainly informal) markets which have sprung up everywhere to meet the demand for consumption (Wallace et al., 1997)(Sik and Wallace, 1998).

The poor performance indicated by the macro-economic indicators in Charts 5 and 6 is reflected in the immiseration of the people of Eastern Europe generally. Only 11 per cent of them felt that they were better off than they were in the past and 80 percent felt that they are worse off (Chart 19). Only 14% are able to live from their earned incomes and 50% have had to do without basic necessities, such as food, heating and clothing. People in Eastern Europe are also rather pessimistic about how long it will take them to catch up (Chart 16). Large numbers did not get by at all (Chart 18).

We could say therefore that for people of Eastern Europe the transformations have lead to increasing insecurity and falling living standards and little perceptible progress for the majority of the population.

Discussion

We can see from this analysis so far that the countries of Eastern, Southern and Central Europe fall into separate categories according to a number of variables. However, in putting all these countries into groups in the interest of painting a broad picture, we have concealed some of the differences within these groups, which we should also mention.

Slovenia, we have classified as a Central European country, even though it was formerly part of Yugoslavia and could perhaps be described as "Southern". However, in terms of the transformations described here, it belongs firmly in the Central European group and is indeed the wealthiest country in the Central European group. Slovakia, on the other hand has the kind of anti-democratic tendencies (suppression of the media, persecution of opposition parties and politicians, persecution of ethnic minorities and tendency to blame domestic problems on the "global cosmopolitan conspiracy") more typical of the Southern European group of countries or of Belarus. It is also run by an authoritarian and nationalist leader who uses demagogic forms of leadership. However, in terms of economic transformation, general well being and the attitudes of the population it belongs more in the Central European group. The people of Hungary, living in a relatively successful transition country, are consistently sceptical about the economic reforms and positive about the past, attitudes more typical of the Eastern group of countries, although Hungary does not resemble these countries in any other way.

Amongst the Southern European group, Romania has introduced a range of privatisation programmes and economic reforms relatively quickly, but the general level of political and economic development places it more firmly with the Southern Europeans. Croatia is the country most fervently in favour of market reforms of all our countries and would definitely see itself as part of "western Europe" rather than the Balkans, but its economic transformation has been retarded by war and as a democracy, it leaves much to be desired, being controlled by an authoritarian nationalist leader.

We have also touched upon the many differences between Belarus and Ukraine which we have classified together as "Eastern European".

There are therefore some countries within each cluster which represent the cluster more or less strongly and others which may be more typical of other clusters in some respects. Here we have tried to use general tendencies to classify these countries and we still believe that these tendencies have some general analytical value in describing transformation in post-communist East-Central Europe.

Clearly, our different parts of Europe also represent religious cleavages, with the Southern and Eastern countries having mainly Orthodox faith (with the exception of Croatia) and the

Central European countries having mainly a Catholic faith (with some Protestants in the Czech Republic and Hungary). For some, this represents the difference between a progressive, modern orientation and a backward Eastern one (Longworth, 1992). However, we are not making any such assumptions and it seems to us that differences in religion are better explained by the geographical locations of different countries which in turn reflect the "path dependent" social, economic and political transformations taking place there.

An issue raised by this analysis is whether these are really separate paths of development or whether they are really ranged along a continuum. A popular way of interpreting these change is in terms of "progress" towards capitalist democracy and many of the indicators we have used are also used to "measure" the "extent" of this progress. In this interpretation, the Central European countries are in the most "advanced" league and the Eastern European countries have the most "backward" level of development. However, they are linked together, like the carriages of a train, so that they are all seen to be ultimately travelling in the same direction, only at different speeds. Eventually, in time, the more backward countries will "catch up" according to this model. If this model is correct, then we would expect the different post-communist countries to become more similar in the long term.

However, an alternative interpretation would be that they are really on different "paths" moving in different directions. Thus, the kind of capitalist democracy which is emerging in Central Europe has a distinctive form, whilst the kinds of societies emerging in the other regions likewise have different forms. They are forms based upon the historical and cultural configurations of the region and further developed through "path dependency" rather than representing different stages of some universal capitalist democratic ideal. It is not even clear that the capitalist democratic ideal is really the end product of all these paths, nor does it seem to be the most desirable among the populations in the Eastern European countries. If this model is correct, then as the transformation process works its way through, so we would expect these clusters of countries to become more different rather than more similar.

Conclusions

In this paper we have tried to sketch three paths of transformation in post-communist Europe and three levels of transformation. Among the paths of transformation, we can find firstly, the Central European group of countries which border the most prosperous parts of the European Union and are scheduled to become members in the nearest future. Here, the transformation has been most progressive with the establishment of viable market and democratic systems and with a market capitalist society of some type developing. Secondly, we can define the Southern cluster of countries where there have also been attempts to put into practice democratic and market reform, but where these are not so well established. The transformation is moved in different directions by antagonism with ethnic and minority groups

an in some case warfare or the consequences of international embargo. Thirdly, we can define the Eastern European group of countries where market and democratic systems are hardly established and where much of the population prefer quite a different direction of reform, one more similar to the old system.

We have looked at these paths in terms of three levels of transformation. The political and the economic level of transformation are well documented at least at an aggregate general level. However, the third level, social transformation, is not so well documented and research has been piecemeal. There is a need for new explanations and documentation at this level and in this article we have only given some indications of the directions this might take.

In documenting these different kinds of transformation, we have drawn mainly upon micro-level data sources - longitudinal repeated general surveys of the ten countries under consideration. We have tried to indicate that that explanations which do not take into account the attitudes and behaviour of the population in an empirically grounded form can be misleading. However, we have tried to show that from this micro-level data (which is mainly descriptive) it is possible to move towards meso level concepts and explanations and perhaps connect more systematically with macro-level theories. This building of theory from the bottom upwards is most appropriate in situations of rapid social change for which many traditional social theories are inadequate.

Whilst here we have presented mainly micro level data, we have also discussed some of the meso-level concepts which have been used to inform the understanding of social transformations, concepts such as path dependency, social capital, informal economy and house hold strategies. These concepts can explain a lot but do not of themselves create general explanations of social transformation. They need to be operationalised in ways which can take into account systematic comparisons between countries and between the different regimes emerging. The new forms of stratification, new forms of status and life-style, new gender regimes which are emerging require a more subtle and detailed analysis which goes beyond what we have attempted here. This represents only a small part of a much larger task for social scientists interested in post-communist transformation.

Reference List

Adamski, W. W. (1992). Structural and Cultural Challenges to Poland at the Time of Systemic Change. Sisyphus. Social Studie, 2 (VIII), 135-144.

Bryant, C., & Mokrzycki, E. (1994). The New Great Transformation? London, New York: Routledge.

Connor, W. D., & Ploszajski, P. (1992). Escape from Socialism. The Polish Route. Warsaw: IFiS, Polish Academy of Sciences.

Dahrendorf, R. (1991). Reflections on the Revolutions in Europe. London: Chatto and Windus.

Earle, J. S., Frydman, R., Rapaczynski, A., & Turkowitz, J.(1994) Small Privatisation:the transformation of retail trade and consumer services in the Czech Republic, Hungary and Poland .Budapest: Central European University Press

Ferge, Z. (1996). Social Values and the Evolution of Regime Change. Innovation, 9(3), 261-277.

Ferge, Z., Sik, E., & Vecernik, J. (1996). Social Costs of Transition: Final Report Vienna: Insitute of Human Sciences.

Frydman, R., Rapaczynski, A., & Earle, J. S. (1993). The Privatisation Process in Central Europe. Budapest: Central European University Press.

Funk, N., & Muller, M. (Editors). (1993). Gender Politics and Post-communism. Gender Politics and Post-communism. Reflections from Eastern Europe and the Former Soviet Union . New York/London.

Gabal, I. (1996). The 1990 Election to the Czechoslovakian Federal Assembly. Berlin: Sigma.

Goati, V. (1998). Elections to the Federal and Republican Parliaments of Yugoslavia (Serbia and Montenegro) 1990-1996. Berlin: Sigma.

Haerpfer, C., & Wallace, C. (1997). Attitudes to Migrants and Minorities in Central and Eastern Europe Vienna, Austria: Institute for Advanced Studies.

Henderson, K., & Robinson, N. (1997). Post-Communist Politicss. An Introduction. London, NewYork, Toronto: Prentice Hall.

Johnson, L. R. (1996). Central Europe. Enemies, Neighbours, Friends. Oxford: Oxford University Press.

Karasimeonov, G. (1997). The 1990 Election to the Bulgarian Grand National Assembly and the 1991 Election to the Bulgarian National Assembly. Berlin: Sigma.

Keane, J. (1988). Democracy and Civil Society. On the predicaments of European socialism, the prosects for democracy and the proglem of controlling social and political power. London, New York.

Kolankiewicz, G. (1996). Social Capital and Social Change. British Journal of Sociology, 47(3), 427-441.

Konstantinov, Y. (1998). The Problem of Legitimacy and Trader-Tourism in Bulgaria. E. Sik, & C. Wallace (Editors), Markets in Central Europe .

Longworth, P. (1992). The Making of Eastern Europe. New York: St. Martin`s Press.

Machonin, P. (1992). Political and Economic Transition or Social Transformation? Sisyphus. Social Studies, 2(VIII), 125-134.

Mateju, P. (1990). Early effects of educational attainment in Czechoslovakia, Netherlands and Hungary. J. L. Peschar (Editor), Social Reproduction in Eastern and Western Europe . University of Groningen.

Mokrzycki, E. (1993). Socialism after socialism: continuity in the East European transition. Arch.Europ.Sociol., XXXIV(108-115).

Mozny, I. (1994). The Czech Family in Transition: from social to economic capital. S. Ringen, & C. Wallace (Editors), Social Reform in the Czech Republic . Prague: Central European University.

Nowotny, T. (1998).Central/Eastern Europe Transitology London: European Bank for Reconstruction and Development.

Offe, C. (1994). Der Tunnel am Ende des Lichts. Erkundungen der politischen Transformation in Neuen Osten. Frankfurt am Main: Campus.

Offe, C. (1995). Ethnic Politics in East European Transitions. in J. Jenson and F. Miszlivetz (Eds.) East Central Europe. Paradoxes and Perspectives Szombathley: Savaria Univerity Press

Pahl, R. (1996). Comment on Kolankiewicz. British Journal of Sociology, 47(3), 442-446.

Piirainen, T. (1997) "From Status to Class. The emergence of class society in Russia" University of Helsinki, Department of Social Policy, . Paper presented at the European Sociological Association Conference, University of Essex).

Przeworski, A. (1991). Democracy and the Market. Political and Economic Reforms in Eastern Europe and Latin America. Cambridge: Cambridge University Press.

Ringen, S. and Wallace, C. (eds.) (1994) Societies in Transition: East-Central Europe Today Prague Papers in Social Responses to Transformation, Vol 1 (Aldershot: Avebury, Gower)

Ringen, S. and Wallace, C. (eds.) (1994) Social Reform in the Czech Republic. Prague papers in Social Responese to Transformation, Vol. II (Prague: Central European University)

Ringen, S. and Wallace, C. (eds.) (1995) Social Reform in East-Central Europe: New Trends in Transition Prague papers in Social Responese to Transformation, Vol. III (Prague: Central European University).

Rose, R. (1989). Ordinary People and Public Policy. London, Newbury Park, New Delhi: Sage.

Rose, R., & Haerpfer, C. W. (1992).New Democracies Between State and Market (Report No. Studies in Public Policy No. 204). University of Strathclyde: Centre for the Study of Public Policy.

Rose, R., Mishler, W., & Haerpfer, C. (1998). Democracy and Its Alternatives. Understanding Post-Communist Societies. Cambridge, UK: Polity Press.

Rose, R., Mishler, W., & Haerpfer, C. (1997). Getting real: social capital in post-communist societies (Report No.278). Strathclyde, Scotland: Centre for the Study of Public Policy.

Rychard, A. (1993). Reforms, Adaptation and Breakthrough. Warsaw: IFiS, Polish Academy of Sciences.

Sampson, S. (1996). Turning Money into Culture: "Distinction" among Eastern Europe`s Nouveaux Riches. B. Müller (Editor), A la recherche des certitudes perdues... Berlin: Centre Marc Bloch.

Siber, I. (1997). The 1990 and 1992/3 Sabor Elections in Croatia. Berlin: Sigma.

Sik, E. (1993). From the Second Economy to the Informal Economy. Journal of Public Policy, 12(2), 153-175.

Sik, E. (1994). Network capital in capitalist, communist and post-communist societies. International Contributions to Labour Studies, 4, 73-93.

Sik, E. (1998). The Origins of the Comecon Market. in Sik, E. and Wallace, C. (eds.) Markets in East-Central Europe. Manuscript, Institute for Advanced Studies, Vienna

Staniszkis, J. (1991). The Dynamics of Breakthrough in Eastern Europe. Berkeley: University of California Press.

Stark, D. (992) Path dependence and privatisation strategies in east central Europe East European Politics and Societies

Stark, D. (1996) Recombinant Property in East European Capitalism American Journal of Sociology 101 (4): 993-1027

Thuen, T. (1998). Borders in Post-communism. in Sik, E. and Wallace, C. (eds.) Markets in East-Central Europe. Manuscript, Institute for Advanced Studies, Vienna

Toka, G. (1995). The 1990 Election to the Hungarian National Assembly. Berlin : Sigma.

Vecernik, J. (1996). Markets and People. The Czech Reform Experience in a Comparative Perspective. Aldershot, Brookfield USA, Hong Kong, Singapore, Sydney: Avebury.

Wallace, C. (1998). Changing Economic Values in East-Central Europe 1992 and 1996 compared (Report No. Work in Progress). Vienna, Austria:

Wallace, C. (1995). Ein Westfeministin geht nach Osten. Transit, 9, 129-145.

Wallace, C. (1997). Spending, Saving and Investing Social Capital: the case of shuttle traders in Post-Communist Eastern Europe (Report No. 44). Vienna, Austria: Institute for Advanced Studies.

Wallace, C. a. H. C. (1998). From Euphoria to Depression. Changing attitudes to reform in the Czech Republic in comparative perspective. M. Potucek (Editor). Prague.

Wallace, C., Chmouliar, O., & Bedzir, V. (1997). (Report No. East European Series No.43). Vienna: Institute of Advanced Studies.

Wallace, C., Chmouliar, O., & Sidorenko, E. (1996). The eastern frontier of western Europe: mobility in the Buffer Zone. New Community, 22(2), 259-286.

Wallace, C., & Fine, K. (1996). Gender, Transformation and Citizenship. Social Politics, 3(2/3), 237-242.

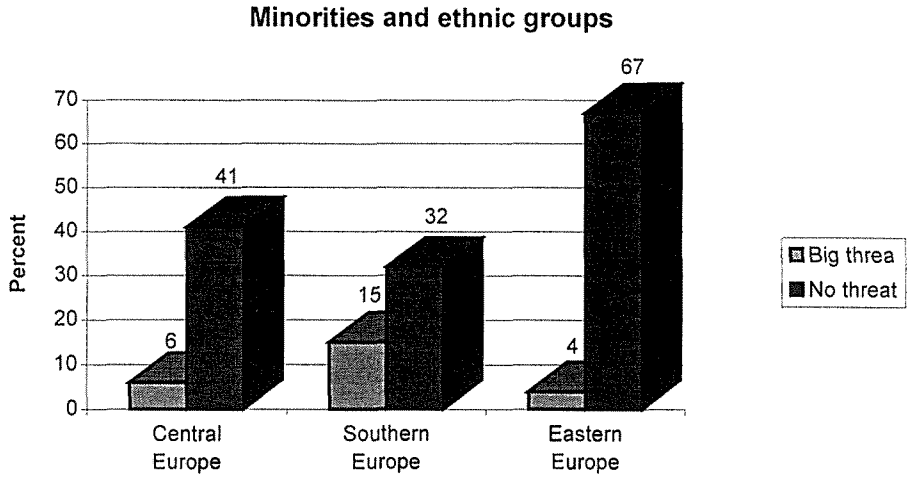
.Wightman, G. (Editor) (1995) , Party Formation in East-Central Europe . Aldershot, UK//Vermont, USA: Edward Elgar.

WIIW. (1997). (Report No.167). Vienna: Wiener Institut für Internationale Wirtschaftsvergleiche.

Wnuk-Lipinski, E. (1995). Paradoxes of Polish Transformation. J. Jensen, & F. Miszlivetz (Editors), East Central Europe. Paradoxes and Perspectives . Szombathely: Savaria University Press.

Appendix: Charts

Chart 1

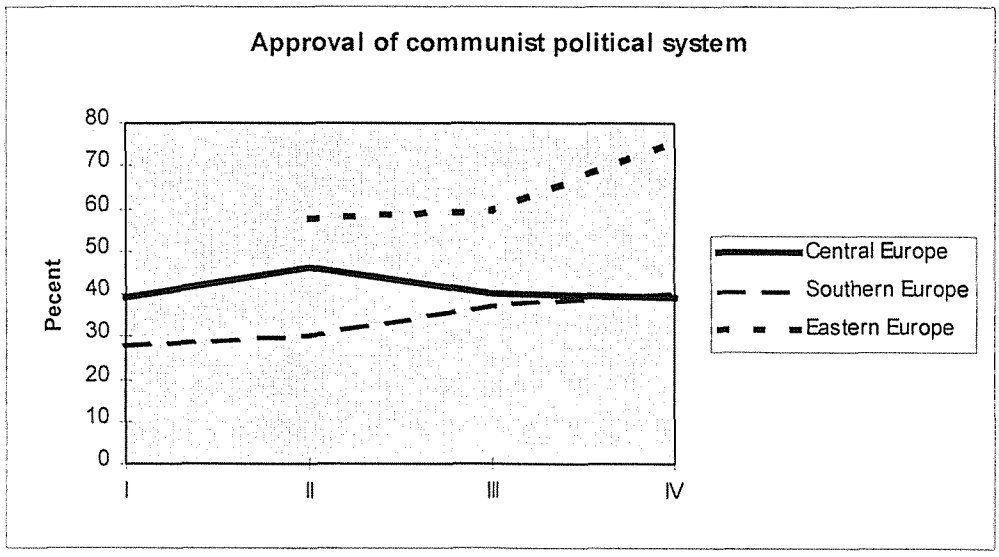


Notes:

1. For 1996
2. Question was "Ethnic Groups and Minorities are ....A big threat, Some threat, Little threat, No threat at all... to the peace and security of our country."

3. Countries excluded: none

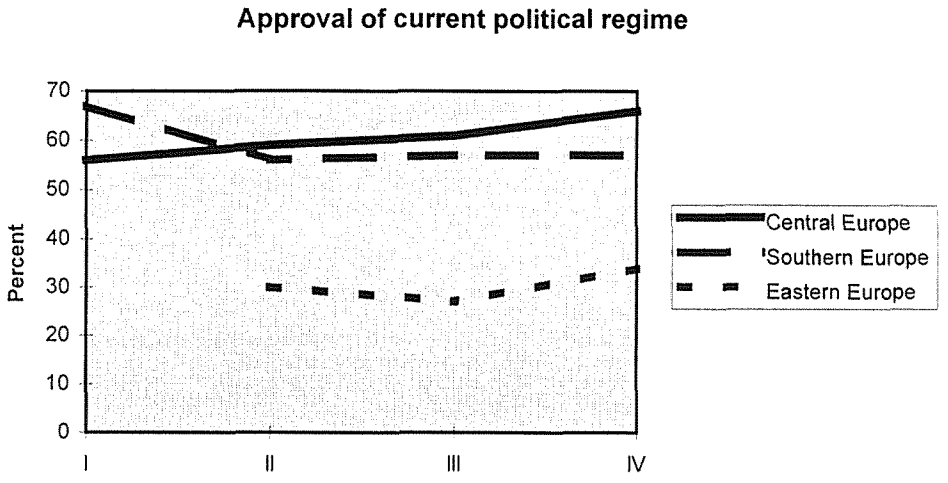
Chart 2



Notes:

1. Time points: 1991/2, 1992/3, 1994/5, 1995/6
2. Question wording: "Where on this scale would you put the former Communist regime?" Scale from minus 100 to plus 100. Chart shows only those agreeing.
3. Countries excluded: In NDB 1 there were no data for Croatia, Belarus and Ukraine.

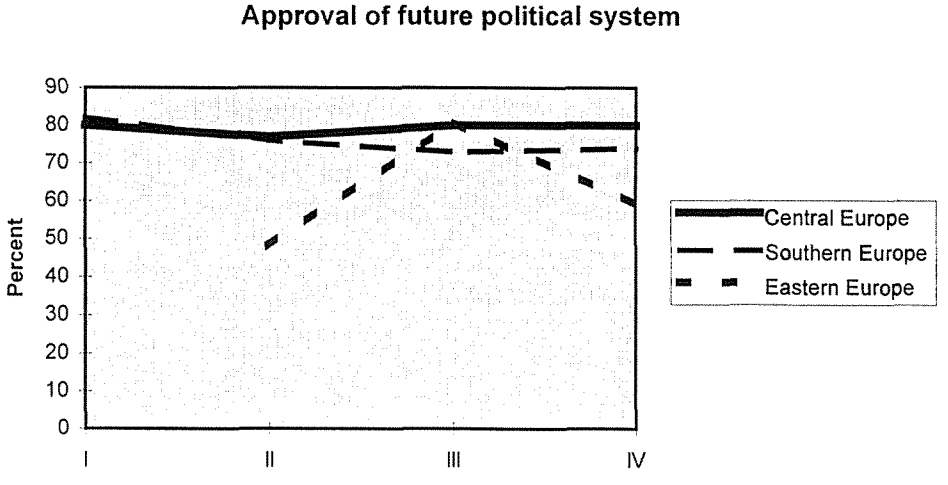
Chart 3



Notes:

1. Time points: 1991/2, 1992/3, 1994/5, 1995/6
2. Question wording: "Where on this scale would you put our present system of governing with free elections and many parties?" Scale from minus 100 to plus 100. Chart shows only those above 0.
3. Countries excluded: In NDB 1 there were no data for Croatia, Belarus and Ukraine.

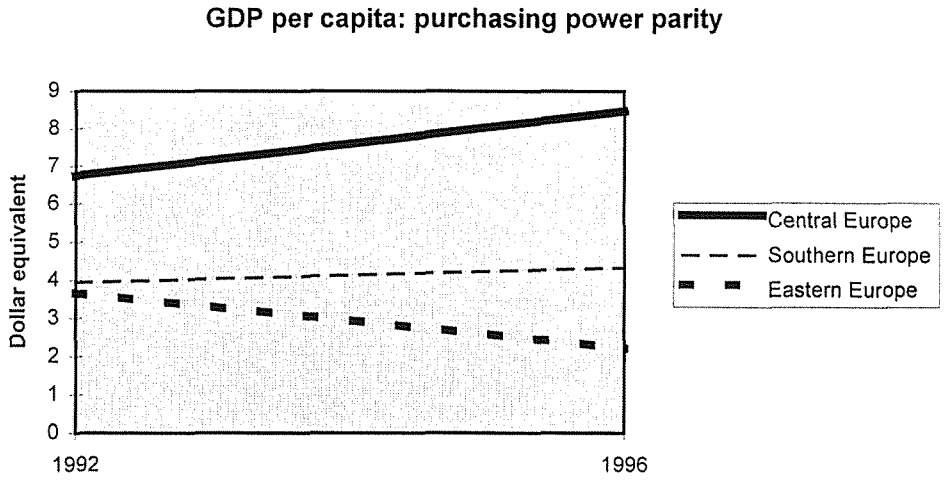
Chart 4



Notes

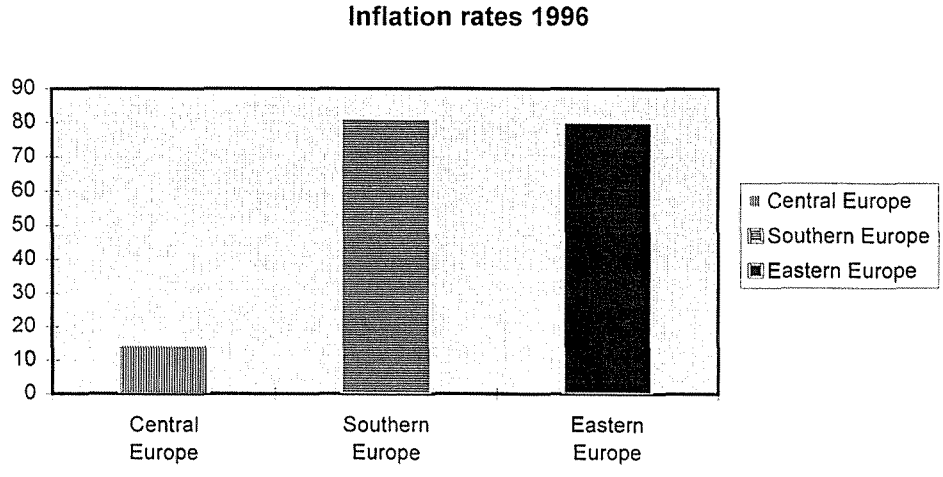
1. . Time points: 1991/2, 1992/3, 1994/5, 1995/6
2. Question wording: "Where on this scale would you put our system of governing five years in the future?" Scale from minus 100 to plus 100. Chart shows only those scoring more than 0.
3. Countries excluded: In NDB 1 there were no data for Croatia, Belarus and Ukraine.

Chart 5



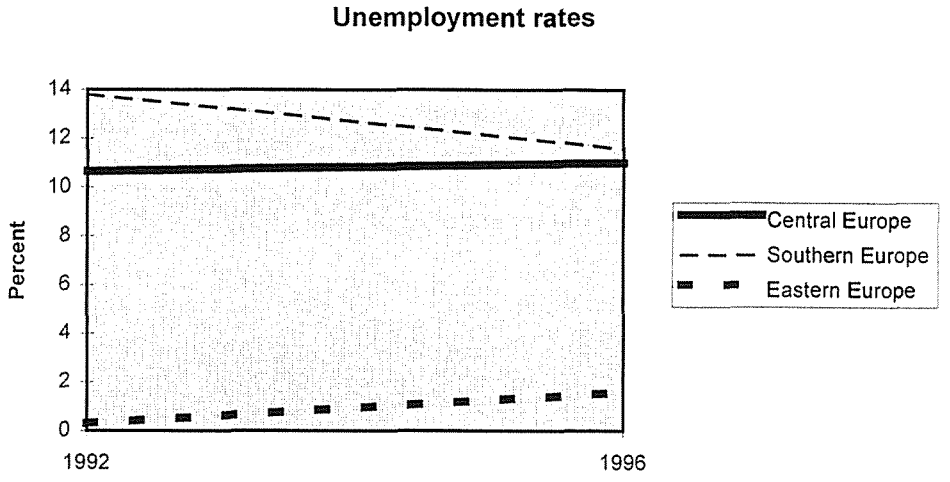
Notes:
Data compiled by WIIW No. 167. May 1997, p. 323 and WIIW No. 163 May 1996
Countries excluded: Belarus from all time points
Dollar equivalents, calculations are made by WIIW

Chart 6



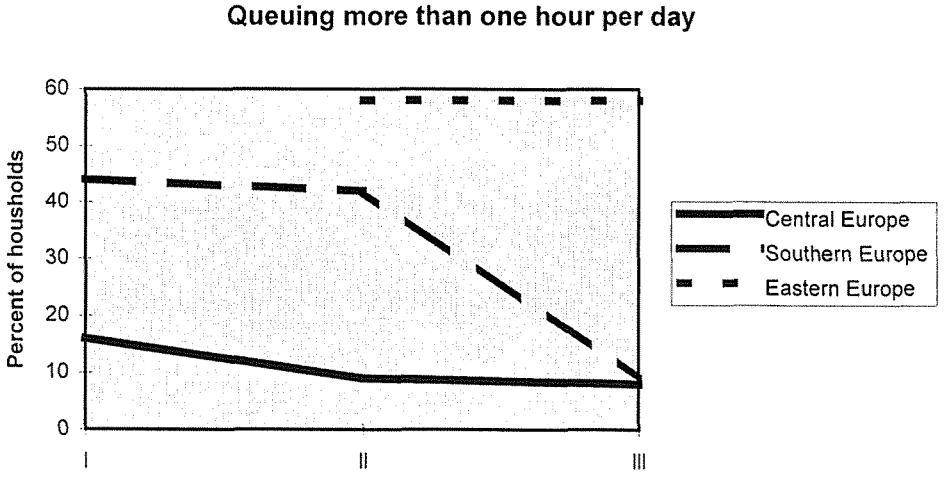
Notes:
Data compiled by WIIW No. 167. May 1997, p. 323 and WIIW No. 163 May 1996
Countries excluded: Belarus from all time points

Chart 7



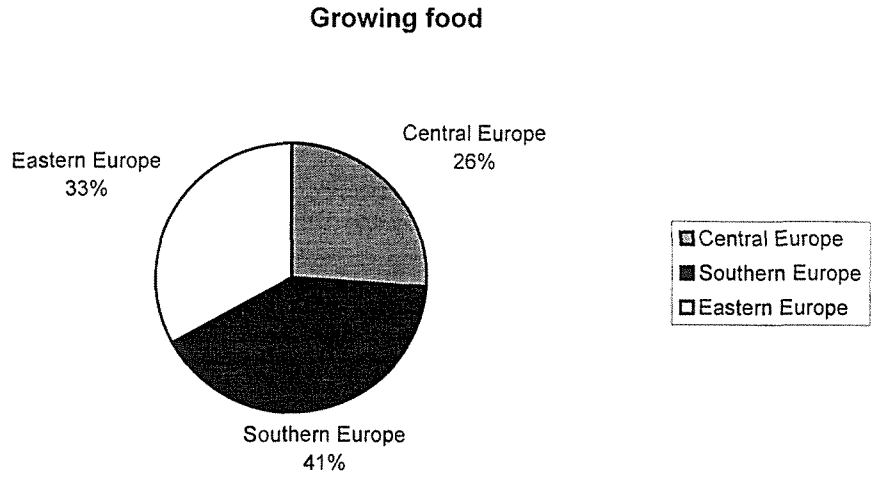
Notes:
Data compiled by WIIW No. 167. May 1997, p. 323 and WIIW No. 163 May 1996
Countries excluded: Belarus from all time points

Chart 8



Notes:
1. Time points 1991/2, 1992/3, 1994/5
2. Question wording: "Do you or anyone in your household spend more than an hour a day queuing for things in shops?"
3. Countries included I,II,III: Bulgaria, Hungary, Poland, Romania
II, III: Croatia, Belarus, Ukraine

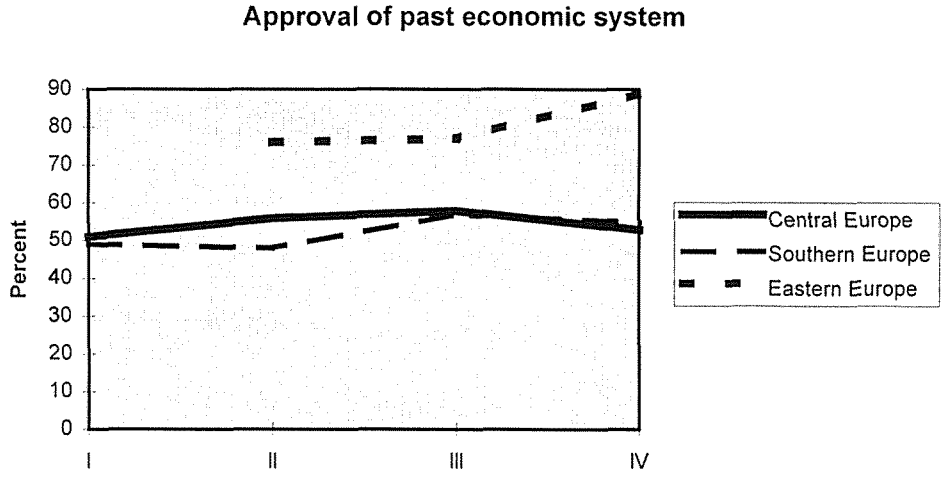
Chart 9



Notes:

1. Time point: 1996
2. Question wording "Which activity on this card is the most important for the standard of living of your family? Growing food, Repairing the house, What we get as favours, What we get with hlpe of friends, relatives, Buying goods with foreign money, Earnings second job, Indidental earnings, Earnings regular job, Pension, unemployment benefit, Benefits at place of work such as meal, holiday, Don't know"
3. Countries excluded: none

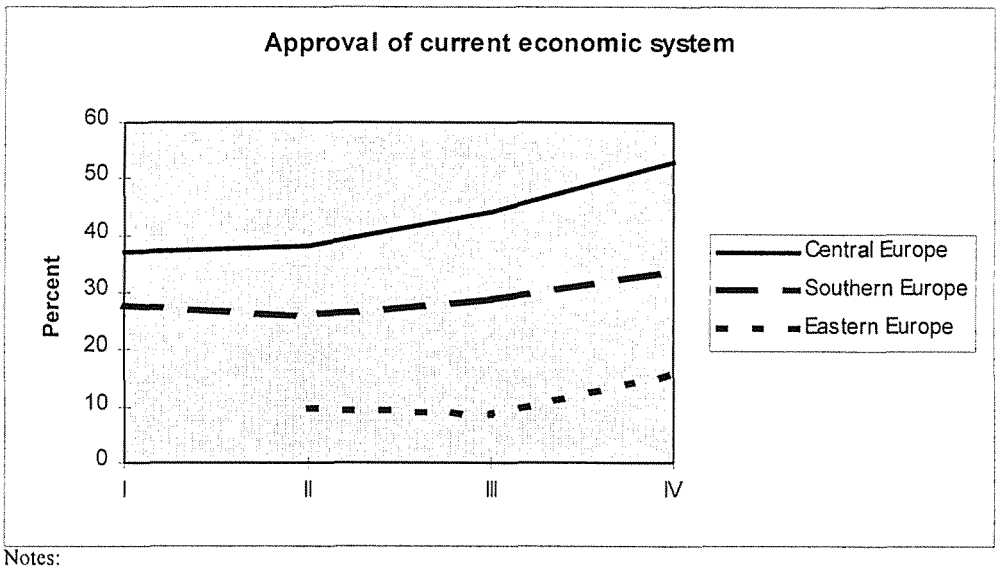
Chart 10



Notes:

1. Time points: 1991/2, 1992/3, 1994/5, 1995/6
2. Question wording: "Where on this scale would you put the socialist economy before the revolution?" Scale from minus 100 to plus 100. Chart shows only those agreeing.
3. Countries excluded: In NDB 1 there were no data for Croatia, Belarus and Ukraine.

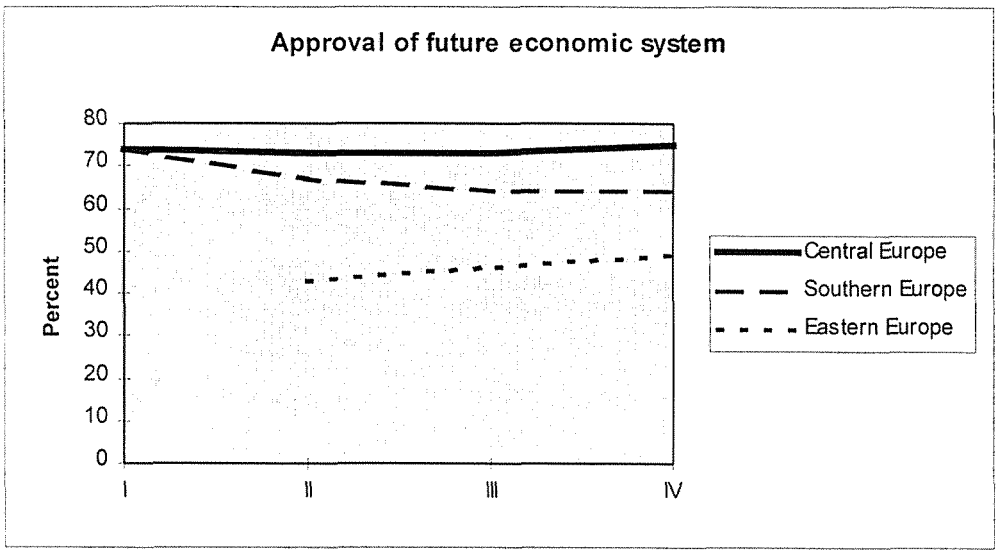
Chart 11



Notes:

1. Time points: 1991/2, 1992/3, 1994/5, 1995/6
2. Question wording: "Where on this scale would you put our present econonic system?" Scale from minus 100 to plus 100. Chart shows only those agreeing.
3. Countries excluded: In NDB 1 there were no data for Croatia, Belarus and Ukraine.

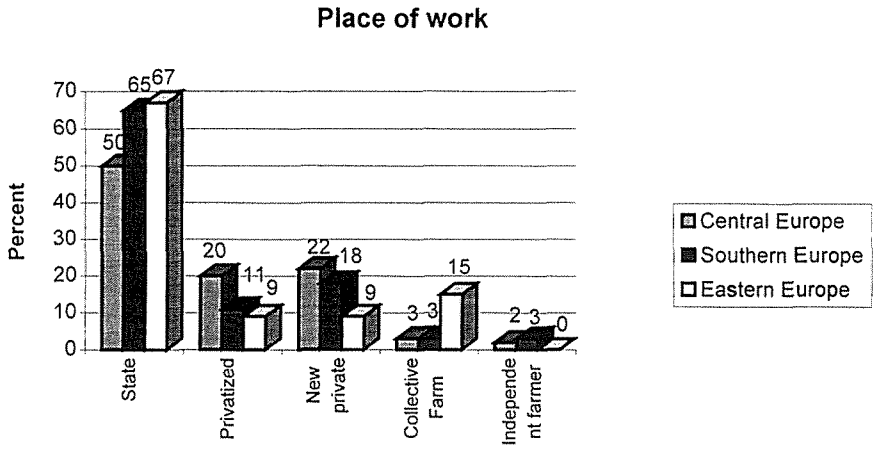
Chart 12



Notes:

1. Time points: 1991/2, 1992/3, 1994/5, 1995/6
2. Question wording: "Where on this scale would you put our economic system in five years time?" Scale from minus 100 to plus 100. Chart shows only those with more than 0.
3. Countries excluded: In NDB 1 there were no data for Croatia, Belarus and Ukraine.

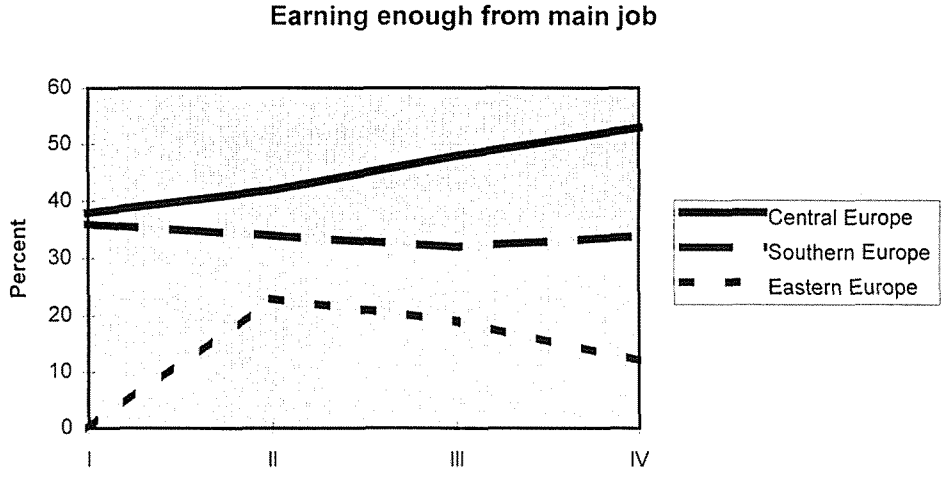
Chart 13



Notes:

1. Time point: 1996
2. Question wording: "What type of employer do you have?"
3. Countries excluded: none

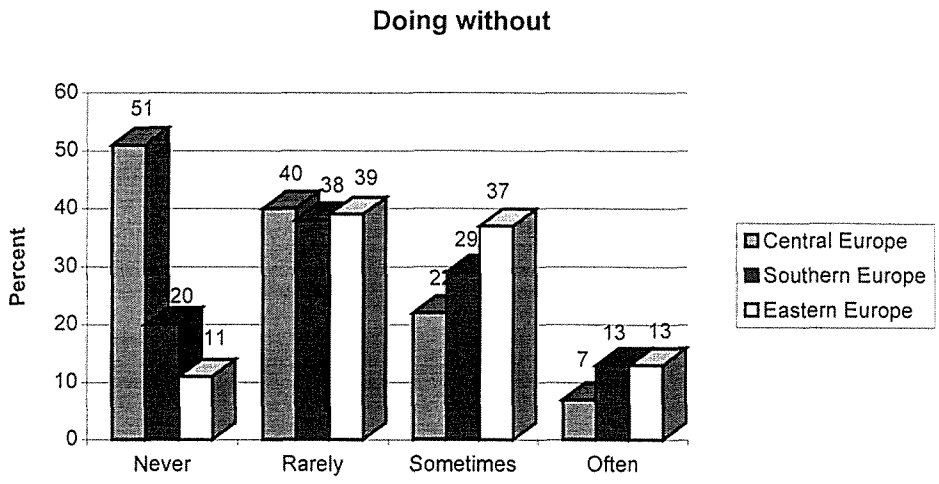
Chart 14



Notes:

1. Time points: 1991/2, 1992/3, 1994/5, 1995/6
2. Question wording: "Do you get enough money from your regular job to buy what your really need? Definitely enough, Just enough, not quite enough, Definitily enough" Chart includes people responding to first two categories.
3. Countries excluded: I: Croatia, Ukraine, Belarus
   IV: Belarus

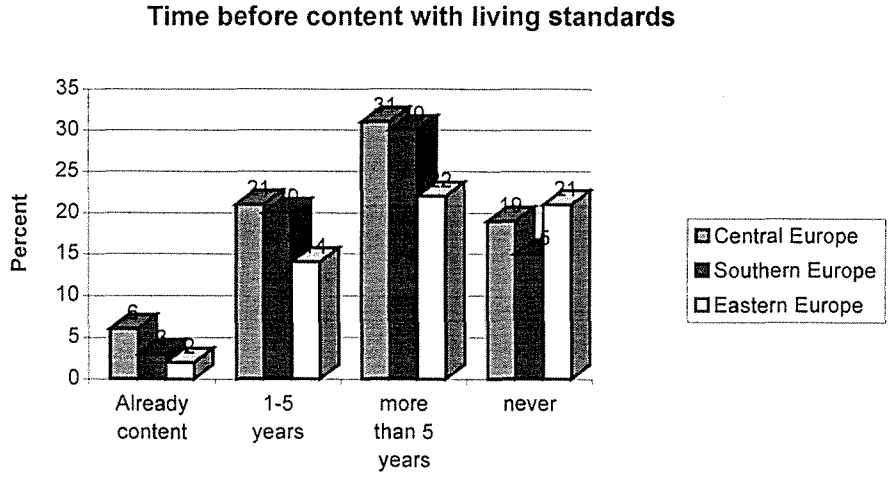
Chart 15



Notes:

1. Time point: 1996
2. Question wording: "Sometimes people have to do without things that people usually have. In the past year has your household had to do without any of the following: Food; Heating/electricity; Clothes you really need" Respondents were given the alternatives: Often, sometimes, rarely, never. The Chart is composed of combined responses to these questions with 0 points assigned for answering never to a question, 1 point rarely, 2 sometimes, 3 often. If answered never to all three, classified here as never; 1-3 points rarely; 4-6 sometimes; 7-9 often.
3. Countries excluded: none

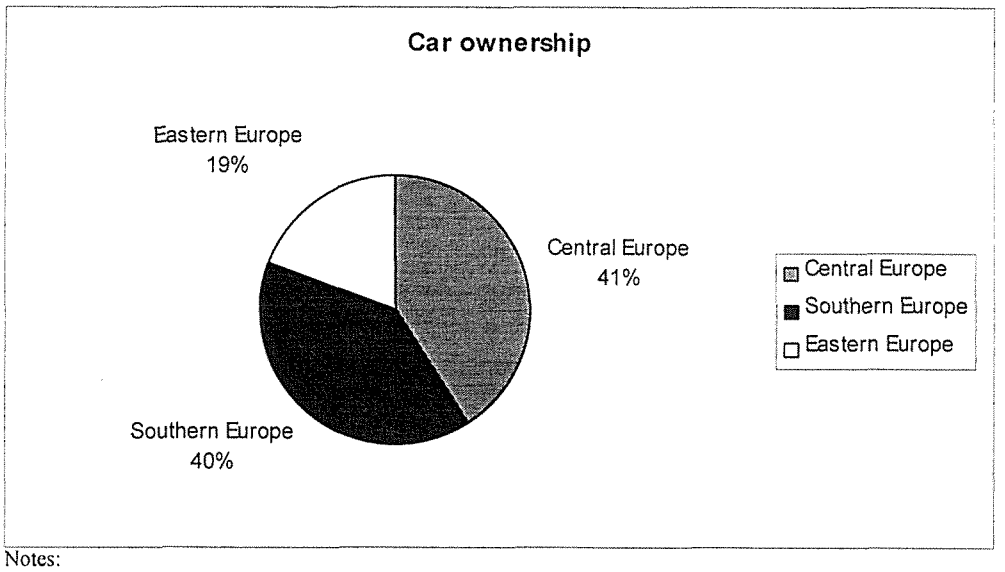
Chart 16



Notes:

1. Time point: 1996
2. Question wording: "How long do you think it will be before you have reached a standard of living with which you are content?"
3. Countries excluded: none

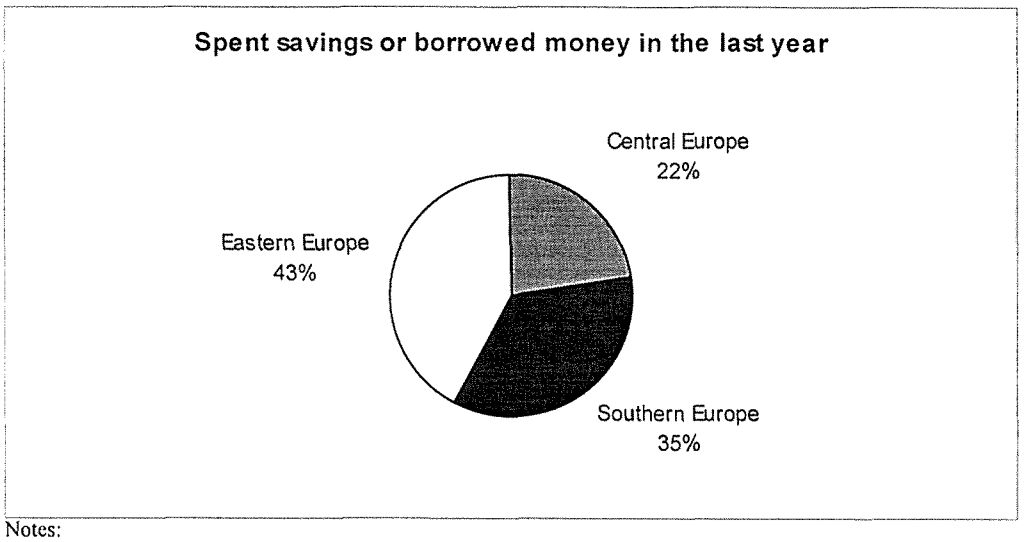
Chart 17



Notes:

1. Time point: 1996
2. Question wording: "Does your household have any of the following...."
3. Countries excluded: Romania, Hungary, Poland

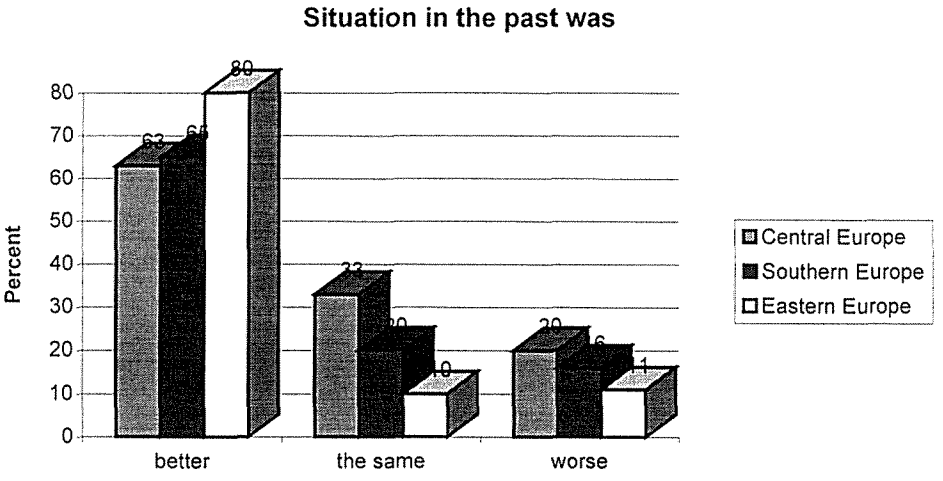
Chart 18



Notes:

1. Time point: 1996
2. Question wording: "In the past year, has your family.....Saved money; Just got by; Spent some savings; Borrowed money; Spent savings and borrowed money" Chart comprises people responding to the last three categories.
3. Countries excluded: Ukraine and Romania

Chart 19



Notes:

1. Time point: 1996
2. Question wording: "When you compare your overall household economic situation with five years ago, before the big changes in the economy, would you say that in the past it was....Much better; a little better; About the same; A little worse; Much worse
3. Countries excluded: none

Institut für Höhere Studien
Institute for Advanced Studies
Stumpergasse 56
A-1060 Vienna
Austria

Phone: +43-1-599 91-216
Fax: +43-1-599 91-191